

MINUTES

**California Health Facilities Financing Authority
("CHFFA")
915 Capitol Mall, Room 587
Sacramento, California 95814**

Alternate Location for CHFFA Teleconference Participation

**Qiu Accountancy Corporation
3580 Wilshire Blvd., Suite 1126
Los Angeles, CA 90010**

Thursday, December 6, 2012 – 10:30 A.M. or upon adjournment of CEFA meeting

Patricia Wynne, Chairperson, called the meeting to order at 11:11 A.M.

Roll Call

Members Present: Patricia Wynne for Bill Lockyer, State Treasurer
Ruth Holton-Hodson for John Chiang, State Controller
Jennifer Rockwell for Ana J. Matosantos, Director of Finance
Jack Buckhorn
Jay Hansen
Samuel Qiu via teleconference

Absent: Ann Madden Rice
Dr. Oscar Sablan

Chairperson Wynne declared a quorum present.

Barbara Liebert, Executive Director, announced that CHFFA Member Judith Frank's term expired and she could no longer serve on the Authority until her expected reappointment in May 2013.

Approval of the Minutes from the October 25, 2012 Meeting

Jack Buckhorn moved approval of the minutes and Jay Hansen seconded the motion. The motion was adopted with a 6-aye roll call vote.

Executive Director's Report

Ms. Liebert submitted the fund balances for the record as of October 31, 2012 as well as the comprehensive debt list summary of CHFFA's largest borrowers by amount of debt outstanding. Staff was advised the CHAMP fund balance would be reflected on January's fund balance report.

Tax-Exempt Bond Delegation of Powers Monthly Update

One delegated action was taken pursuant to the delegation resolution. Catholic Healthcare West/Dignity Health requested the Authority execute amended bond documents for the delivery of alternate credit facilities and for the reoffering of the CHFFA Variable Rate Revenue Bonds Series 2004K, 2005H and I, including supplemental Bond Indenture for the 2004 Series, amended and restated Bond Indenture for the 2005 Series, Supplemental Loan Agreements and certificates of the Executive Director certifying CHFFA resolutions for each respective series. Legal counsel confirmed the proposed action fell within the authority of the delegation resolution and the documents were executed in October 2012.

HELP II Loan Program Delegation of Powers Monthly Update

No actions were taken pursuant to the delegation resolution.

California Health Access Model Program (“CHAMP”) Status Update

Ms. Liebert invited Barbara Webster-Hawkins, Program Manager, to provide a status update on CHAMP. Staff previously mentioned to the Authority that the Office of Administrative Law (“OAL”) would return to CHFFA in November with questions, concerns, and recommended changes to the regulations. However, OAL was not required to respond until December 17th.

Ms. Liebert stated that once the regulations were approved, staff would be able to proceed in soliciting letters of interest, which may be as soon as January.

Proposition 61 Second Funding Round 2014

Ms. Liebert provided some background noting that the Children’s Hospital Programs (established by Proposition 61 in 2004 and Proposition 3 in 2008) both set up a first funding round to end in ten years, during which most or all of the grant money was expected to be committed. The propositions also provided some parameters to establish a second funding round if necessary to finish awarding funds. Noting the first funding round for Proposition 61 ends in mid-2014, Ms. Liebert said she and staff plan to reach out to the Children’s Hospital Association to have them provide input from the children’s hospitals as to how the second funding round might best be handled. All University of California hospitals and all but two not-for-profit hospitals have received grants for the entire amounts for which they are eligible. Mr. Hansen asked questions specifically regarding Loma Linda University Children’s Hospital (Loma Linda) applying for the remainder of their grant funds. Ms. Wynne, Ms. Liebert, and Ms. Webster-Hawkins described some of the history of grant funding for Loma Linda. The Authority and staff continued discussion regarding the second funding round with staff concluding the matter would likely be brought before the Authority again in the next six months.

Site Visits

- University of California, San Diego Medical Center (UCSD), San Diego, California – Janae Davis, Staff Analyst and Ms. Webster-Hawkins visited the existing Neonatal Intensive Care Unit (NICU) facility at UCSD’s Hillcrest Hospital, as well as the construction site for UCSD’s future Jacob Hospital where the NICU would be relocated. UCSD had received Prop 61 and Prop 3 funding for construction of the new NICU.
- Rady Children’s Hospital – San Diego, San Diego, California. Ms. Davis and Ms. Webster-Hawkins participated in Children’s 101: A Day at Rady Children’s Hospital, a mini-internship program, which included presentations by hospital specialists and intensive rotations with medical staff.
- Children’s Hospital & Research Center at Oakland – Oakland, California. Ms. Webster-Hawkins reported that she and Ms. Liebert visited the hospital, met with its leadership team, toured the facility and saw capital improvements funded by previous grants.

Item #4 Resolution Pertaining to former Authority Member Ronald Joseph

Ms. Wynne stated Authority Member Ronald Joseph was no longer serving on the Authority. A resolution was prepared and mailed to him thanking him for his years of service.

Item #5 Children’s Hospital & Research Center at Oakland (“CHO”), Resolution No. CHP-3 2012-07

Ms. Webster-Hawkins introduced Kathy Cain, CFO and Colleen Reed, Controller for the Children’s Hospital & Research Center at Oakland. CHO was seeking grant funds to design, acquire, and install computer hardware and software for an Electronic Medical Record System (“EMR”).

Staff recommended the Authority approve Resolution No. CHP-3 2012-07 for Children’s Hospital & Research Center at Oakland to provide a grant not to exceed \$77,749,015 (less cost of issuance and administrative costs), subject to all requirements of the Children’s Hospital Program of 2008.

Chairperson Wynne asked if there were any questions or public comment. There were none.

Ms. Holton-Hodson moved approval of Resolution No. CHP-3 2012-7 and Mr. Buckhorn seconded the motion. The Resolution was adopted with a 6-eye roll call vote.

Item #6**Standard Provisions for Certain Bond Documents**

Ms. Liebert and Diane Potter, of Orrick, Herrington & Sutcliffe LLP presented a detailed description of the Standard Provisions for Certain Bond Documents. CHFFA and CEFA staff formed a working group to develop standard provisions for its tax-exempt investment grade rated transactions for use by the public finance community. The working group included representatives from the following: 1) staff from both Authorities, 2) counsel frequently serving as bond counsel to the Authorities, 3) staff counsel from the State Treasurer's Office, 4) several lawyers from the Attorney General's Office, 5) the Authorities' financial advisory, Public Financial Management, Inc., and 6) staff from the State Treasurer's Office Public Finance Division.

The standardized bond documents were posted to the CHFFA website.

Item #7**Other Business**

Chairperson Wynne remarked on the HELP II Loan Program growing fund balance of almost \$18 million. Ms. Wynne directed staff to re-engage with the California Primary Care Association and assess whether clinics were in need of Emergency Medical Records Systems.

There was no other business presented. Chairperson Wynne asked for public comment. Hearing none, the meeting was adjourned at 11:52 A.M.